

# Vote 36

## Water and Sanitation

### Adjusted budget summary

R thousand	2019/20			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
<b>Amount to be appropriated</b>	<b>16 440 372</b>	<b>(12 393)</b>	<b>39 320</b>	<b>16 467 299</b>
<i>of which:</i>				
Current payments	3 462 056	–	24 047	3 486 103
Transfers and subsidies	9 134 981	–	14 535	9 149 516
Payments for capital assets	3 843 335	(12 393)	–	3 830 942
Payments for financial assets	–	–	738	738
Executive authority	Minister of Water and Sanitation			
Accounting officer	Director-General of Water and Sanitation			
Website address	www.dwa.gov.za			

### Vote purpose

*Ensure the availability of water resources to facilitate equitable and sustainable socioeconomic development, and ensure universal access to water and sanitation services.*

### Mid-year performance

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Number of reports on progress analysed against the approved annual international relations implementation plan per year	Administration	Departmental mandate	1	1	–
Number of river systems with water resources classes and determined resource quality objectives per year	Water Planning and Information Management	Outcome 10: Protect and enhance our environmental assets and natural resources	1	0	–
Number of mega regional bulk infrastructure project phases completed per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	2	1	–
Number of large regional bulk infrastructure project phases completed per year	Water Infrastructure Development		16	3	–
Number of small regional bulk infrastructure project phases completed per year	Water Infrastructure Development		8	2	–

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Number of small projects completed through the water services infrastructure grant per year	Water Infrastructure Development	Outcome 6: An efficient, competitive and responsive economic infrastructure network	104	23	–
Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	Water Infrastructure Development	Outcome 9: Responsive, accountable, effective and efficient developmental local government	0	97	–
Number of wastewater systems assessed for compliance with green drop regulatory standards per year	Water Sector Regulation	Departmental mandate	963	0	–
Percentage of water use authorisation applications finalised within 300 working days of application	Water Sector Regulation	Outcome 10: Protect and enhance our environmental assets and natural resources	80% (145/181)	73% (133/181)	–

### Mid-year progress

During the first half of 2019/20, no river systems with water resources classes and determined resource quality objectives were assessed. During the same period, the Jozini bulk water supply scheme was completed under mega regional bulk infrastructure projects; and 3 phases of large regional bulk infrastructure projects were completed, the first phase of the Polokwane bulk water supply scheme, and phases 3A and 4B of the Empuluzi bulk water supply scheme. In addition, the first phases of 2 small regional bulk infrastructure projects were completed, the Van Wyksvlei groundwater supply scheme and the Tswelopele bulk water supply scheme.

By mid-year, 23 small projects were completed through the *water services infrastructure grant* against an annual target of 104, while 97 existing bucket sanitation systems were replaced to complete the outstanding amount of 12 221 carried over from 2018/19. No wastewater systems were assessed for compliance with green drop regulatory standards.

## Adjusted Estimates

Programme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Administration	1 832 344	–	33 828	–	(30 000)	–	3 828	1 836 172
Water Planning and Information Management	970 348	–	(62 452)	–	–	–	(62 452)	907 896
Water Infrastructure Development	13 175 110	241 927	54 924	–	(185 000)	–	111 851	13 286 961
Water Sector Regulation	462 570	–	(26 300)	–	–	–	(26 300)	436 270
<b>Total</b>	<b>16 440 372</b>	<b>241 927</b>	<b>–</b>	<b>–</b>	<b>(215 000)</b>	<b>–</b>	<b>26 927</b>	<b>16 467 299</b>

Economic classification	2019/20							
	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
<b>Current payments</b>	<b>3 462 056</b>	<b>80 000</b>	<b>(25 953)</b>	<b>–</b>	<b>(30 000)</b>	<b>–</b>	<b>24 047</b>	<b>3 486 103</b>
Compensation of employees	1 851 343	–	–	–	(30 000)	–	(30 000)	1 821 343
Goods and services	1 610 713	80 000	(25 953)	–	–	–	54 047	1 664 760
<b>Transfers and subsidies</b>	<b>9 134 981</b>	<b>–</b>	<b>14 535</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14 535</b>	<b>9 149 516</b>
Provinces and municipalities	5 736 231	–	267	–	–	–	267	5 736 498
Departmental agencies and accounts	2 370 022	–	–	–	–	–	–	2 370 022
Foreign governments and international organisations	220 927	–	6 093	–	–	–	6 093	227 020
Public corporations and private enterprises	782 891	–	–	–	–	–	–	782 891
Non-profit institutions	297	–	2 602	–	–	–	2 602	2 899
Households	24 613	–	5 573	–	–	–	5 573	30 186
<b>Payments for capital assets</b>	<b>3 843 335</b>	<b>161 927</b>	<b>10 680</b>	<b>–</b>	<b>(185 000)</b>	<b>–</b>	<b>(12 393)</b>	<b>3 830 942</b>
Buildings and other fixed structures	3 721 442	161 927	223	–	(185 000)	–	(22 850)	3 698 592
Machinery and equipment	92 356	–	6 552	–	–	–	6 552	98 908
Software and other intangible assets	29 537	–	3 905	–	–	–	3 905	33 442
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>738</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>738</b>	<b>738</b>
<b>Total</b>	<b>16 440 372</b>	<b>241 927</b>	<b>–</b>	<b>–</b>	<b>(215 000)</b>	<b>–</b>	<b>26 927</b>	<b>16 467 299</b>

**Programme 1: Administration**

Subprogramme	2019/20							
	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Ministry	46 645	–	9 765	–	–	–	9 765	56 410
Departmental Management	103 389	–	9 917	–	(9 000)	–	917	104 306
Internal Audit	37 991	–	500	–	–	–	500	38 491
Corporate Services	777 120	–	8 116	–	(21 000)	–	(12 884)	764 236
Financial Management	269 281	–	(2 202)	–	–	–	(2 202)	267 079
Office Accommodation	481 378	–	–	–	–	–	–	481 378
Programme Management Unit	62 513	–	3 075	–	–	–	3 075	65 588
International Water Support	54 027	–	4 657	–	–	–	4 657	58 684
<b>Total</b>	<b>1 832 344</b>	<b>–</b>	<b>33 828</b>	<b>–</b>	<b>(30 000)</b>	<b>–</b>	<b>3 828</b>	<b>1 836 172</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 744 636</b>	<b>–</b>	<b>12 818</b>	<b>–</b>	<b>(30 000)</b>	<b>–</b>	<b>(17 182)</b>	<b>1 727 454</b>
Compensation of employees	835 179	–	(2 041)	–	(30 000)	–	(32 041)	803 138
Goods and services	909 457	–	14 859	–	–	–	14 859	924 316
<b>Transfers and subsidies</b>	<b>25 034</b>	<b>–</b>	<b>10 106</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10 106</b>	<b>35 140</b>
Provinces and municipalities	89	–	–	–	–	–	–	89
Departmental agencies and accounts	2 986	–	–	–	–	–	–	2 986
Foreign governments and international organisations	1 027	–	6 093	–	–	–	6 093	7 120
Non-profit institutions	–	–	1 000	–	–	–	1 000	1 000
Households	20 932	–	3 013	–	–	–	3 013	23 945

**Programme 1: Administration (continued)**

Economic classification	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
<b>Payments for capital assets</b>	<b>62 674</b>	–	<b>10 183</b>	–	–	–	<b>10 183</b>	<b>72 857</b>
Machinery and equipment	33 717	–	5 943	–	–	–	5 943	39 660
Software and other intangible assets	28 957	–	4 240	–	–	–	4 240	33 197
<b>Payments for financial assets</b>	–	–	<b>721</b>	–	–	–	<b>721</b>	<b>721</b>
<b>Total</b>	<b>1 832 344</b>	–	<b>33 828</b>	–	<b>(30 000)</b>	–	<b>3 828</b>	<b>1 836 172</b>

**Programme 2: Water Planning and Information Management**

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Water Planning, Information Management and Support	7 069	–	–	–	–	–	–	7 069
Integrated Planning	97 868	–	(13 710)	–	–	–	(13 710)	84 158
Water Ecosystems	53 979	–	(13 956)	–	–	–	(13 956)	40 023
Water Information Management	533 329	–	(13 950)	–	–	–	(13 950)	519 379
Water Services and Local Water Management	240 950	–	(17 000)	–	–	–	(17 000)	223 950
Sanitation Planning and Management	16 699	–	(1 601)	–	–	–	(1 601)	15 098
Policy and Strategy	20 454	–	(2 235)	–	–	–	(2 235)	18 219
<b>Total</b>	<b>970 348</b>	–	<b>(62 452)</b>	–	–	–	<b>(62 452)</b>	<b>907 896</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>886 031</b>	–	<b>(49 177)</b>	–	–	–	<b>(49 177)</b>	<b>836 854</b>
Compensation of employees	492 485	–	2 041	–	–	–	2 041	494 526
Goods and services	393 546	–	(51 218)	–	–	–	(51 218)	342 328
<b>Transfers and subsidies</b>	<b>3 215</b>	–	<b>1 395</b>	–	–	–	<b>1 395</b>	<b>4 610</b>
Provinces and municipalities	463	–	267	–	–	–	267	730
Non-profit institutions	27	–	–	–	–	–	–	27
Households	2 725	–	1 128	–	–	–	1 128	3 853
<b>Payments for capital assets</b>	<b>81 102</b>	–	<b>(14 680)</b>	–	–	–	<b>(14 680)</b>	<b>66 422</b>
Buildings and other fixed structures	39 834	–	(13 744)	–	–	–	(13 744)	26 090
Machinery and equipment	40 688	–	(586)	–	–	–	(586)	40 102
Software and other intangible assets	580	–	(350)	–	–	–	(350)	230
<b>Payments for financial assets</b>	–	–	<b>10</b>	–	–	–	<b>10</b>	<b>10</b>
<b>Total</b>	<b>970 348</b>	–	<b>(62 452)</b>	–	–	–	<b>(62 452)</b>	<b>907 896</b>

**Programme 3: Water Infrastructure Development**

Subprogramme	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand								
Strategic Infrastructure Development and Management	2 393 652	–	–	–	–	–	–	2 393 652
Operation of Water Resources	193 284	–	–	–	–	–	–	193 284
Regional Bulk Infrastructure Grant	5 973 235	241 927	2 895	–	(185 000)	–	59 822	6 033 057

**Programme 3: Water Infrastructure Development (continued)**

Subprogramme		2019/20							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments			
Water Services Infrastructure Grant	4 480 465	–	44 626	–	–	–	44 626	4 525 091	
Accelerated Community Infrastructure Programme	134 474	–	7 403	–	–	–	7 403	141 877	
<b>Total</b>	<b>13 175 110</b>	<b>241 927</b>	<b>54 924</b>	<b>–</b>	<b>(185 000)</b>	<b>–</b>	<b>111 851</b>	<b>13 286 961</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>382 215</b>	<b>80 000</b>	<b>36 097</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>116 097</b>	<b>498 312</b>	
Compensation of employees	264 502	–	–	–	–	–	–	264 502	
Goods and services	117 713	80 000	36 097	–	–	–	116 097	233 810	
<b>Transfers and subsidies</b>	<b>9 105 978</b>	<b>–</b>	<b>3 104</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 104</b>	<b>9 109 082</b>	
Provinces and municipalities	5 735 679	–	–	–	–	–	–	5 735 679	
Departmental agencies and accounts	2 367 036	–	–	–	–	–	–	2 367 036	
Foreign governments and international organisations	219 900	–	–	–	–	–	–	219 900	
Public corporations and private enterprises	782 891	–	–	–	–	–	–	782 891	
Non-profit institutions	270	–	1 602	–	–	–	1 602	1 872	
Households	202	–	1 502	–	–	–	1 502	1 704	
<b>Payments for capital assets</b>	<b>3 686 917</b>	<b>161 927</b>	<b>15 716</b>	<b>–</b>	<b>(185 000)</b>	<b>–</b>	<b>(7 357)</b>	<b>3 679 560</b>	
Buildings and other fixed structures	3 681 608	161 927	13 967	–	(185 000)	–	(9 106)	3 672 502	
Machinery and equipment	5 309	–	1 734	–	–	–	1 734	7 043	
Software and other intangible assets	–	–	15	–	–	–	15	15	
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>	
<b>Total</b>	<b>13 175 110</b>	<b>241 927</b>	<b>54 924</b>	<b>–</b>	<b>(185 000)</b>	<b>–</b>	<b>111 851</b>	<b>13 286 961</b>	

**Programme 4: Water Sector Regulation**

Subprogramme		2019/20							
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
R thousand	Appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments			
Water Sector Regulation Management and Support	40 093	–	(505)	–	–	–	(505)	39 588	
Economic and Social Regulation	35 551	–	(5 035)	–	–	–	(5 035)	30 516	
Water Use Authorisation and Administration	81 725	–	(6 565)	–	–	–	(6 565)	75 160	
Water Supply Services and Sanitation Regulation	17 836	–	44 691	–	–	–	44 691	62 527	
Compliance Monitoring and Enforcement	135 763	–	(7 003)	–	–	–	(7 003)	128 760	
Institutional Oversight	151 602	–	(51 883)	–	–	–	(51 883)	99 719	
<b>Total</b>	<b>462 570</b>	<b>–</b>	<b>(26 300)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(26 300)</b>	<b>436 270</b>	
<b>Economic classification</b>									
<b>Current payments</b>	<b>449 174</b>	<b>–</b>	<b>(25 691)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(25 691)</b>	<b>423 483</b>	
Compensation of employees	259 177	–	–	–	–	–	–	259 177	
Goods and services	189 997	–	(25 691)	–	–	–	(25 691)	164 306	
<b>Transfers and subsidies</b>	<b>754</b>	<b>–</b>	<b>(70)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(70)</b>	<b>684</b>	
Households	754	–	(70)	–	–	–	(70)	684	
<b>Payments for capital assets</b>	<b>12 642</b>	<b>–</b>	<b>(539)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(539)</b>	<b>12 103</b>	
Machinery and equipment	12 642	–	(539)	–	–	–	(539)	12 103	
<b>Total</b>	<b>462 570</b>	<b>–</b>	<b>(26 300)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(26 300)</b>	<b>436 270</b>	

## Details of adjustments to the 2019 Estimates of National Expenditure

### Roll-overs – R241.927 million

#### Programme 3: Water Infrastructure Management

R241.927 million in unspent funds has been rolled over for the Vaal River system pollution remedial intervention project, of which R161.927 million is for the regional bulk infrastructure grant for payment of capital assets in the Emfuleni local municipality; and R80 million is to reimburse the Department of Defence for services rendered.

### Virements and shifts within the vote

#### Programmes

1. Administration
2. Water Planning and Information Management
3. Water Infrastructure Development
4. Water Sector Regulation

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(13 238)</b>	<b>Programme 1</b>		<b>10 812</b>
Goods and services	Business advisory services and contractors	(1 436)	Foreign governments and international organisations	Membership fees (Limpopo Watercourse Commission and Orange-Senqu River Commission)	1 436
	Various goods and services items	(219)	Households	Leave gratuities	219
	Business advisory services and contractors	(4 338)	Machinery and equipment	Office equipment	4 338
	Various goods and services items	(721)	Payments for financial assets	Debt written off	721
	Business advisory services and contractors	(3 098)	Software and other intangible assets	Software licences	3 098
	Business advisory services and contractors	(1 000)	Non-profit institutions	Strategic Water Partners Network <sup>2</sup>	1 000
	Various goods and services items	(100)	<b>Programme 3</b>		<b>325</b>
	Various goods and services items	(225)	Goods and services	Budget realignment	100
	Office equipment	(60)	Non-profit institutions	2020 Vision for Water education programme <sup>1</sup>	225
Machinery and equipment	Office equipment	(60)	<b>Programme 1</b>		<b>60</b>
			Software and other intangible assets	Software licences	60
Compensation of employees	Vacant posts	(1 401)	<b>Programme 2</b>		<b>1 401</b>
			Compensation of employees	Critical posts	1 401
	Vacant posts	(640)	<b>Programme 3</b>		<b>640</b>
			Compensation of employees	Critical posts	640
Shifts within the programme as a percentage of the programme budget		0.6%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.1%</b>			

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 2</b>		<b>(67 370)</b>	<b>Programme 1</b>		<b>24 405</b>
Goods and services	Business advisory services and computer services	(19 140)	Goods and services	Communication, office supplies, and travel and subsistence	19 140
	Business advisory services and computer services	(4 657)	Foreign governments and international organisations	Membership fees (Orange-Senqu River Commission) <sup>1</sup>	4 657
	Various goods and services items	(608)	Software and other intangible assets	Software licences	608
	Various goods and services items	(928)	<b>Programme 2</b>		<b>1 412</b>
	Various goods and services items	(370)	Households	Leave gratuities	928
	Various goods and services items	(10)	Machinery and equipment	Office equipment	370
	Various goods and services items	(104)	Payments for financial assets	Debt written off	10
	Various goods and services items	(104)	Provinces and municipalities	Vehicle licences <sup>1</sup>	104
	Infrastructure and planning services	(25 363)	<b>Programme 3</b>		<b>25 363</b>
			Goods and services	Operations and maintenance costs for Jozini Regional Water Scheme	25 363
			<b>Programme 2</b>		<b>1 000</b>
Buildings and other fixed structures	Other fixed structures <sup>1</sup>	(90)	Households	Leave gratuities <sup>1</sup>	90
	Other fixed structures	(910)	Machinery and equipment	Office equipment	910
	Other fixed structures	(12 834)	<b>Programme 3</b>		<b>12 834</b>
			Buildings and other fixed structures	Bushbuckridge reticulation scheme (phase 2)	12 834
			<b>Programme 1</b>		<b>7</b>
Households	Leave gratuities	(7)	Households	Leave gratuities	7
	Leave gratuities	(83)	<b>Programme 3</b>		<b>83</b>
			Households	Leave gratuities	83
			<b>Programme 1</b>		<b>1 378</b>
Machinery and equipment	Office equipment	(1 204)	Machinery and equipment	Office equipment	1 204
	Office equipment	(174)	Software and other intangible assets	Software licences	174
	Office equipment	(340)	<b>Programme 3</b>		<b>340</b>
	Office equipment	(198)	Buildings and other fixed structures	Bushbuckridge reticulation scheme (phase 2)	340
			<b>Programme 4</b>		<b>198</b>
			Machinery and equipment	Office equipment	198
			<b>Programme 1</b>		<b>300</b>
Software and other intangible assets	Software	(300)	Software and other intangible assets	Software licences	300
	Software	(50)	<b>Programme 2</b>		<b>50</b>
			Machinery and equipment	Office equipment	50
Shifts within the programme as a percentage of the programme budget		0.3%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>6.7%</b>			

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 3</b>		<b>(9 237)</b>	<b>Programme 1</b>		<b>3 854</b>
Goods and services	Business advisory services and transport for departmental activity	(3 854)	Goods and services	Global Handwashing Day and World Toilet Day	3 854
			<b>Programme 3</b>		<b>4 504</b>
	Business advisory services and transport for departmental activity	(1 502)	Households	Leave gratuities <sup>1</sup>	1 502
	Business advisory services and transport for departmental activity	(1 603)	Machinery and equipment	Office equipment	1 603
	Various goods and services items	(7)	Payments for financial assets	Debt written off	7
	Various goods and services items	(15)	Software and other intangible assets	Software licences	15
	Business advisory services and transport for departmental activity	(1 377)	Non-profit institutions	2020 Vision for Water education programme <sup>1</sup>	1 377
			<b>Programme 1</b>		<b>134</b>
Machinery and equipment	Office equipment <sup>1</sup>	(134)	Households	Leave gratuities <sup>1</sup>	134
			<b>Programme 3</b>		<b>7</b>
	Office equipment	(7)	Buildings and other fixed structures	Bushbuckridge reticulation scheme (phase 2)	7
			<b>Programme 2</b>		<b>398</b>
Compensation of employees	Vacant posts	(398)	Compensation of employees	Alignment of budget with organisational structure	398
			<b>Programme 4</b>		<b>340</b>
	Vacant posts	(340)	Compensation of employees	Alignment of budget with organisational structure	340
Shifts within the programme as a percentage of the programme budget		0.0%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>0.0%</b>			
<b>Programme 4</b>		<b>(27 255)</b>	<b>Programme 1</b>		<b>6 016</b>
Goods and services	Business advisory services, training, and travel and subsistence	(3 002)	Goods and services	Legal fees	3 002
	Business advisory services, training, and travel and subsistence	(2 553)	Households	Leave gratuities	2 553
	Various goods and services items	(461)	Machinery and equipment	Office equipment	461
			<b>Programme 2</b>		<b>215</b>
	Various goods and services items	(52)	Goods and services	Communication, office supplies, and travel and subsistence	52
	Various goods and services items	(163)	Provinces and municipalities	Vehicle licences <sup>1</sup>	163

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Business advisory services, training, and travel and subsistence	(19 043)	<b>Programme 3</b>		<b>19 043</b>
			Goods and services	Operations and maintenance costs for Nandoni Scheme and Giyani Treatment Plant	19 043
	Various goods and services items	(230)	<b>Programme 4</b>		<b>417</b>
			Households	Leave gratuities	230
	Various goods and services items	(187)			
			Machinery and equipment	Office equipment	187
Households	Leave gratuities	(100)	<b>Programme 1</b>		<b>100</b>
			Households	Leave gratuities	100
	Leave gratuities	(200)	<b>Programme 2</b>		<b>200</b>
			Households	Leave gratuities	200
Machinery and equipment	Office equipment	(138)	<b>Programme 3</b>		<b>924</b>
			Machinery and equipment	Office equipment	138
	Office equipment	(786)			
			Buildings and other fixed structures	Bushbuckridge reticulation scheme (phase 2)	786
Compensation of employees	Vacant posts	(242)	<b>Programme 2</b>		<b>242</b>
			Compensation of employees	Alignment of budget with organisational structure	242
	Vacant posts	(98)	<b>Programme 3</b>		<b>98</b>
			Compensation of employees	Alignment of budget with organisational structure	98
Shifts within the programme as a percentage of the programme budget		0.1%			
<b>Virements to other programmes as a percentage of the programme budget</b>		<b>5.8%</b>			
<b>Total</b>		<b>(117 100)</b>			<b>117 100</b>

1. National Treasury approval has been obtained.

## Declared unspent funds – R215 million

### Programme 1: Administration

The department has declared R30 million in unspent funds as a result of the slow filling of vacant posts.

### Programme 3: Water Infrastructure Development

R185 million in unspent funds has been declared on the regional bulk infrastructure indirect grant due to poor financial performance in the first six months of 2019/20.

## Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome			Adjusted appropriation/ Total (%)	Actual expenditure			
		Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19		% of adjusted appropriation	Apr 19 - Sep 19	% of adjusted appropriation	
R thousand									
Administration	1 661 154	1 432 691	86.2	1 634 005	98.4	1 836 172	11.2	804 051	43.8
Water Planning and Information Management	689 630	364 608	52.9	689 717	100.0	907 896	5.5	306 037	33.7
Water Infrastructure Development	14 204 250	5 204 329	36.6	14 013 071	98.7	13 286 961	80.7	4 874 907	36.7
Water Sector Regulation	318 695	140 774	44.2	282 641	88.7	436 270	2.6	135 904	31.2
<b>Total</b>	<b>16 873 729</b>	<b>7 142 402</b>	<b>42.3</b>	<b>16 619 434</b>	<b>98.5</b>	<b>16 467 299</b>	<b>100.0</b>	<b>6 120 899</b>	<b>37.2</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 281 076</b>	<b>2 048 411</b>	<b>62.4</b>	<b>3 625 271</b>	<b>110.5</b>	<b>3 486 327</b>	<b>21.2</b>	<b>1 461 554</b>	<b>41.9</b>
Compensation of employees	1 717 982	771 952	44.9	1 604 040	93.4	1 821 343	11.1	833 072	45.7
Goods and services	1 563 094	1 276 456	81.7	2 021 212	129.3	1 664 984	10.1	628 482	37.7
Interest and rent on land	–	3	–	19	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>8 927 538</b>	<b>3 822 760</b>	<b>42.8</b>	<b>9 933 884</b>	<b>111.3</b>	<b>9 149 516</b>	<b>55.6</b>	<b>3 919 833</b>	<b>42.8</b>
Provinces and municipalities	5 726 662	1 459 447	25.5	6 740 979	117.7	5 736 498	34.8	1 387 015	24.2
Departmental agencies and accounts	2 269 756	1 747 377	77.0	2 269 759	100.0	2 370 022	14.4	1 825 119	77.0
Foreign governments and international organisations	209 212	176 172	84.2	209 269	100.0	227 020	1.4	122 266	53.9
Public corporations and private enterprises	694 715	425 483	61.2	694 715	100.0	782 891	4.8	556 849	71.1
Non-profit institutions	1 026	1 172	114.2	1 194	116.4	2 899	0.0	284	9.8
Households	26 167	13 109	50.1	17 968	68.7	30 186	0.2	28 300	93.8
<b>Payments for capital assets</b>	<b>4 665 115</b>	<b>1 271 231</b>	<b>27.2</b>	<b>3 060 279</b>	<b>65.6</b>	<b>3 830 718</b>	<b>23.3</b>	<b>738 774</b>	<b>19.3</b>
Buildings and other fixed structures	4 537 640	1 236 307	27.2	2 977 412	65.6	3 698 502	22.5	689 858	18.7
Machinery and equipment	97 084	31 619	32.6	51 589	53.1	98 774	0.6	20 246	20.5
Heritage assets	30 391	3 305	10.9	–	–	–	–	–	–
Software and other intangible assets	–	–	–	31 278	–	33 442	0.2	28 670	85.7
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>738</b>	<b>0.0</b>	<b>738</b>	<b>100.0</b>
<b>Total</b>	<b>16 873 729</b>	<b>7 142 402</b>	<b>42.3</b>	<b>16 619 434</b>	<b>98.5</b>	<b>16 467 299</b>	<b>100.0</b>	<b>6 120 899</b>	<b>37.2</b>

## Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R16.6 billion, 98.5 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R7.1 billion, 42.3 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R6.1 billion, 37.2 per cent of the adjusted appropriation of R16.5 billion for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 decreased by R1 billion, 14.3 per cent. This was mainly due to payments made in the previous year for the War on Leaks programme, which focused on training artisans and plumbers for deployment in municipalities across the country that are affected by high levels of water losses.

## Departmental receipts

R thousand	2018/19					2019/20				
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts		
		Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate	Apr 18 - Mar 19				Apr 18 - Mar 19 % of adjusted estimate	Apr 19 - Sep 19	Apr 19 - Sep 19 % of adjusted estimate
<b>Departmental receipts</b>	<b>18 237</b>	<b>13 296</b>	<b>72.9</b>	<b>66 410</b>	<b>364.1</b>	<b>8 031</b>	<b>15 285</b>	<b>100.0</b>	<b>11 503</b>	<b>75.3</b>
Sales of goods and services produced by department	2 616	1 375	52.6	2 339	89.4	2 471	2 070	13.5	991	47.9
Sales of scrap, waste, arms and other used current goods	18	13	72.2	15	83.3	10	60	0.4	11	18.3
Fines, penalties and forfeits	400	400	100.0	400	100.0	–	1 580	10.3	1 310	82.9
Interest, dividends and rent on land	2 467	1 228	49.8	2 921	118.4	2 800	3 199	20.9	1 785	55.8
Sales of capital assets	–	–	–	1	–	–	247	1.6	246	99.6
Transactions in financial assets and liabilities	12 736	10 280	80.7	60 734	476.9	2 750	8 129	53.2	7 160	88.1
<b>Total</b>	<b>18 237</b>	<b>13 296</b>	<b>72.9</b>	<b>66 410</b>	<b>364.1</b>	<b>8 031</b>	<b>15 285</b>	<b>100.0</b>	<b>11 503</b>	<b>75.3</b>

### Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R13.3 million, 72.9 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R11.5 million, 75.3 per cent of the adjusted estimate. Compared to the first half of 2018/19, revenue over the same period in 2019/20 decreased by R1.8 million, 13.5 per cent. This was mainly due to the higher than projected collection of revenue from interest earned on debtors, and increases in rental dwellings and fines issued by the department, in the previous year.

## Changes to transfers and subsidies

### Summary of changes to transfers and subsidies per programme

R thousand	Appropriation	2019/20					Total adjustments appropriation	Adjusted appropriation
		Adjustments appropriation						
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
<b>Administration</b>								
<b>Foreign governments and international organisations</b>								
<b>Current</b>	<b>909</b>	–	<b>6 093</b>	–	–	–	<b>6 093</b>	<b>7 002</b>
Orange-Senqu River Commission	713	–	5 489	–	–	–	5 489	6 202
Limpopo Watercourse Commission	196	–	604	–	–	–	604	800
<b>Non-profit institutions</b>								
<b>Current</b>	–	–	<b>1 000</b>	–	–	–	<b>1 000</b>	<b>1 000</b>
Strategic Water Partners Network	–	–	1 000	–	–	–	1 000	1 000
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	<b>1 672</b>	–	<b>3 013</b>	–	–	–	<b>3 013</b>	<b>4 685</b>
Employee social benefits	1 672	–	3 013	–	–	–	3 013	4 685

## Summary of changes to transfers and subsidies per programme (continued)

R thousand	2019/20							Adjusted appropriation
	Appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
<b>Water Planning and Information Management</b>								
<b>Provinces and municipalities</b>								
<b>Municipalities</b>								
<b>Municipal bank accounts</b>								
<b>Current</b>	463	–	267	–	–	–	267	730
Vehicle licences	463	–	267	–	–	–	267	730
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	2 725	–	1 128	–	–	–	1 128	3 853
Employee social benefits	2 725	–	1 128	–	–	–	1 128	3 853
<b>Water Infrastructure Development</b>								
<b>Public corporations and private enterprises</b>								
<b>Public corporations</b>								
<b>Other transfers</b>								
<b>Capital</b>	277 891	–	–	–	–	–	–	277 891
Magalies water board:	65 373	–	(65 373)	–	–	–	(65 373)	–
Regional bulk infrastructure								
Sedibeng water board:	212 518	–	65 373	–	–	–	65 373	277 891
Regional bulk infrastructure								
<b>Non-profit institutions</b>								
<b>Current</b>	270	–	1 602	–	–	–	1 602	1 872
Various institutions: 2020 Vision for Water education programme	270	–	1 602	–	–	–	1 602	1 872
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	–	–	1 502	–	–	–	1 502	1 502
Employee social benefits	–	–	1 502	–	–	–	1 502	1 502
<b>Water Sector Regulation</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	754	–	(70)	–	–	–	(70)	684
Employee social benefits	754	–	(70)	–	–	–	(70)	684